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CENTRAL INTELLIGENCE AGENCY

REPORT NO. [REDACTED]

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INFORMATION REPORT

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COUNTRY East Germany

DATE DISTR. 12 January 1953

SUBJECT 1952 East German-Hungarian Trade Agreement

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THIS IS UNEVALUATED INFORMATION

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1. The trade agreement between East Germany and Hungary was signed in Budapest on 29 November 1951 and is valid for the year 1952. The following figures compare the 1952 and 1951 agreements:

(Value in 1,000 rubles)

	1951 Agreement	1951 Fulfillment	1952 Agreement
Export	141,600	84,040	149,342
Import	<u>62,200</u>	<u>57,159</u>	<u>129,992</u>
Total	203,800	141,199	279,337

The apparently small increase in exports for 1952 is misleading; the 1951 export volume was 100 percent greater than that of 1950 as a result of deliveries on credit during 1950 which were paid in 1951.

2. The attachments give statistics which show the status of the agreements in terms of imports and exports as of 30 June 1952. Imports and exports are broken down according to the East German Domestic and Foreign Trade Ministries (DIA). All figures are in thousands of rubles.
3. Estimate of the fulfillment of the agreement

According to the 1952 agreement, the signing of contracts was to be completed by 1 March 1952. However, by that date only 50 percent of the export contracts had actually been concluded. The delay was caused chiefly by Hungary's failure to submit the specifications of machine construction agreed upon previously. Neither was Hungary always able, in the case of larger orders, to provide the required technical data. Consequently, in many cases deliveries will not be made before the end of 1952; it is possible that they may not be made until the end of 1953.

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Exports

4. Instead of an export delivery quota of 64,680,000 rubles on 30 June 1952, only 49,210,000 rubles, or 76 percent, were delivered. Bearing in mind that the delivery quota represents only 40 percent of the total export contracts and that a delivery backlog of 15,000,000 rubles exists at the present time, we estimate a backlog of approximately 30,000,000 rubles by the end of the year.
5. Difficulties in the export of machinery such as electric measuring and testing devices, electric motors, microscopes, etc., have arisen from faulty specifications and material shortages.
6. The agreement provided for 14,300,00 rubles for the re-export of BMW cars to Argentina. However, the Argentine government would not authorize an import license for the cars, according to Hungarian authorities, and nothing more has been done about this provision.

Imports

7. At the present time, the fulfillment of the imports quota cannot be estimated. Because of the nature of most of the Hungarian products, it is estimated that deliveries during the third quarter of 1952 will increase considerably, with a resultant favorable fulfillment of the agricultural section's status. On the contrary, the fulfillment of the imports status of the machine construction group is essentially unfavorable. For technical reasons, three Diesel locomotives will not be delivered until after 1 January 1953. Out of 200 buses ordered, only 45 have been received to date; the rest are to be delivered by the end of July 1952.
8. Current meters. The testmeters sent to us do not meet our specifications. We propose that gometers be substituted, since according to information received from IV Energie there is a greater need in Fuerstenberg for this type of meter. The negotiations are still in progress. The value of this order is approximately 3,000,000 rubles.
9. The previously authorized contract for 3,000 oxygen containers was signed. Deliveries will take place during the third and fourth quarters of 1952.
10. Bauxite. Of the authorized 130,000 tons, 23,299 tons have been delivered to date. After the State Secretariat for Stones and Earth agreed to temporary delivery of an inferior quality in order to prevent a stoppage of aluminum production, deliveries were resumed. By the end of 1952, the total amount will be delivered.
11. Because of still unsettled price differences, an insufficient number of contracts for the import of foodstuffs, etc., have been signed.
12. Boiler project. The delivery dates specified in the contract for boilers were not met, because of difficulties in the supply of molybdenum. Molybdenum stocks on hand will last until the end of July, and a new shipment is expected from China in early August. Further difficulties were encountered in the delivery of drums. Negotiations are still in progress with Czechoslovakia for the delivery of ten drums. The Hungarian office of Bergmann-Borsig-Werke is keeping informed on the progress of the order by holding production discussions.

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Hungary - Exports as of 30 June 1952

Value given in thousands of rubles

Provided for in Agreement	Contracts Concluded	Delivery in June 1952	Deliveries	
			Fulfillment 1952	Konfulfillment
Machinery				
Metallurgy	4,483	5,081	208	1,767
Chemical	4,230	4,912	2,999	4,212
Transport Machines	9,764	8,317	975	696
Chemical Equipment	7,412	9,774	1,578	1,516
Electrical Engineering	14,018	11,721	992	1,613
Precision Instruments	11,462	12,458	1,585	2,882
GIA-RDP82-00457R015600410009-9				
Optical Goods	6,760	4,336	274	1,416
Metals and Hardware	24,370	23,613	3,955	12,431
Glass and Ceramics	4,757	3,423	361	1,930
Industrial Textiles	1,360	1,867	-	785
Apparel	220	220	220	103
Leather	2,875	2,165	1,762	63
Culture (Cultural)	1,350	3,188	475	351
Poststaffs	310	167	29	5
Processing (Processing work on a contract basis)	293	171	171	-
Exports	1,070	598	230	-
	14,300	-	-	-
	149,424	136,211	13,830	42,210
			15,470	

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Att. 2

Hungary - Imports - Trade Agreement 06 as of 30 June 1952

<u>Provided for In Agreement</u>	<u>Contracts Concluded</u>	<u>Delivery up to as of 30 June 1952</u>	<u>Received in June 1952</u>	<u>Value in thousands of rubles</u>	<u>Received on entire agreement</u>
5,075	2,332	632	239	1,619	
2,250	369	32	-	-	
15,760	4,655	4,655	1,429	3,954	
3,500	122	69	-	17	
		1	-	1	
		1,223	1,171	1,158	
		5,116	5,073	2,569	
		183	183	26	
		15	9	14	
		40	4	4	
		560	35	26,00	
		81,389	79	6	
		56,551	24,761	5,598	
		6	6	-	
		-	-	-	
		9,295	-	-	
		129,993	70,002	33,925	36,164
				8,599	

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Hungary - Trade Agreement 05 as of 30 June 1952

Values in thousand rubles

Contract Concluded in Agreement	Provided for in Agreement	Delivery 1952	Quota in June 1952	Delivery fulfillment 1952		Total deliveries on agreement	Delivery of IBDL
				Delivered in June 1952	Delivery fulfillment 1952		
Machinery, Construction	9,318	9,316	2,627	48	232	6,721	2,395
Transport vehicles	58,872	66,636	33,463	2,106	16,062	43,716	17,460
Chemical Jonment	11,780	11,392	2,250	153	1,555	8,277	695
Electrical Engineering	15,170	13,319	2,946	60	1,723	12,396	1,223
Fabrication and Chemical In-	7,630	1,740	430	22	347	1,557	83
Food and Hardware	24,423	21,082	3,200	212	2,462	20,344	738
Chemicals	3,514	2,838	756	40	196	2,226	562
Clothes and Jerrycans	1,876	1,410	-	-	-	1,910	-
Industrial Textiles	2,550	2,426	2	-	-	2,424	-
Paper	1,801	2,388	-	-	-	2,389	-
Industrial Goods	500	293	49	35	65	203	-
Textile stuffs	4,103	4,302	25	-	41	4,345	-
Total	141,581	129,792	45,753	2,646	22,624	106,624	23,129

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